

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

SB 1163

February 23, 2009

SUMMARY OF BILL: Increases the tax freeze reimbursement rate for elderly and disabled homeowners. Under current law, the amount to be reimbursed is based on the first \$25,000 of value of the property. This legislation increases that amount to \$30,000.

ESTIMATED FISCAL IMPACT:

Increase State Expenditures – \$2,953,000

Increase Local Expenditures – Exceeds \$50,000/Permissive

Assumptions:

- According to the Comptroller, increasing the value from \$25,000 to \$30,000 will increase the payment to each homeowner by \$36.16, from \$194.02 to \$230.18.
- Approximately 81,666 recipients will qualify in tax year 2010.
- State expenditures are expected to increase \$2,953,000 ($\$36.16 \times 81,666 = \$2,953,043$).
- Some counties and cities also provide property tax relief tied to the state program. These local programs are permissive and it is not possible to estimate accurately how many local governments would expand their programs beyond an estimated permissive increase exceeding \$50,000.

CERTIFICATION:

This is to duly certify that the information contained herein is true and correct to the best of my knowledge.

A handwritten signature in cursive script, reading "James W. White".

James W. White, Executive Director

/kmc

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